



MAR IVANIOS COLLEGE (AUTONOMOUS)
THIRUVANANTHAPURAM

Reg. No. :.....

Name :.....

Third Semester B.Com. Degree Examination, November 2016

First Degree Programme under CBCSS

Elective Course: Commerce – I (Stream 1)

AUCO391.c: Financial Management

(for 2014 Admissions – Improvement Only)

Time: **3 Hours**

Max. Marks: **80**

SECTION – A

Answer ALL questions in one or two sentences.

1. What is financial engineering ?
2. Define Corporate finance.
3. What is annuity ?
4. What is discounting ?
5. What is IRR ?
6. Define financial planning ?
7. What is dividend payout ratio ?
8. What is financial leverage ?
9. What is Danger level in inventory management ?
10. State any two characteristics of equity shares.

(10 × 1 = 10 Marks)

SECTION – B

Answer any EIGHT questions, each in a short paragraph not exceeding 50 words.

11. Write a note on risk return trade off.
12. Briefly explain the factors influencing financial decisions.
13. What do you understand by capital budgeting process ?
14. What is a financial asset ? Name any two financial assets.

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15. Distinguish between deposit float and bank float.
16. What is JIT system ?
17. Write a note on commercial paper as a source of finance.
18. Explain the motives for holding cash.
19. Name different components of current assets ?
20. What is cost of capital ?
21. What is venture capital financing ?
22. What is pay back period ?

(8 × 2 = 16 Marks)

SECTION – C

*Answer any **SIX** questions, each in a paragraph not exceeding 120 words.*

23. ‘Investment, financing and dividend decisions are interrelated’. Comment.
24. Write a note on Net Present Value as a technique of capital budgeting ?
25. Write note on composite cost of capital.
26. List out the importance of capital budgeting ?
27. Mention the advantages of maintaining adequate working capital.
28. Discuss the utility of cash budget as a tool of cash management.
29. Mention the different patterns of capital structure.
30. Which are the forms of dividend ?
31. What is the need of ploughing back of profits ?

(6 × 4 = 24 Marks)

SECTION – D

*Answer any **TWO** questions, not exceeding four pages.*

32. Explain the objectives of financial management ?
33. Explain the various factors influencing working capital requirements ?
34. Discuss the various factors that influence the dividend decision of a firm.
35. What do you understand by receivables management ? Discuss the factors which influence the size of receivables.

(2 × 15 = 30 Marks)

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